



CAULFIELD TO DANDENONG

Voluntary purchase scheme

The Level Crossing Removal Project: Caulfield to Dandenong is part of the Victorian Government's project to remove 50 dangerous and congested level crossings across Melbourne by 2022.

Removing nine level crossings between Caulfield and Dandenong will improve safety and increase patronage on Melbourne's busiest rail line. It will reduce congestion making travel around our south-eastern suburbs quicker and easier, and enhance local communities with new stations to be built at Carnegie, Murrumbeena, Hughesdale, Clayton and Noble Park. The project includes signalling and power upgrades and will create some 2,000 jobs.

About the project

During early 2016, the Level Crossing Removal Authority (LXRA) sought community feedback on the preferred design for the Caulfield to Dandenong project. The design proposed is a modern elevated railway that has many benefits including reduced rail noise, improved connectivity making it easier to travel across the railway line and creating new public open space.

Although elevated rail is common in both Australia and around the world, this design is a new way of removing level crossings in this community and there are impacts that need to be well managed. During our recent consultation, we heard from residents closest to the rail corridor that they would like to know more about what options are available to manage the changes that will happen near their properties.

In response, LXRA is introducing options for eligible property owners most affected by an elevated rail structure to help manage changes from the project. This includes a voluntary purchase scheme and a significant fencing and landscaping package. More detail about the fencing and landscaping package is available at levelcrossings.vic.gov.au.

Through our recent comprehensive consultation program, we have heard from residents closest to the rail corridor that they would like to know what options are available to manage the likely physical change near their properties.

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THE VOLUNTARY PURCHASE SCHEME

Under the voluntary purchase scheme, the government will offer to purchase residential properties most impacted by the project on a voluntary basis – this means that eligible owners have the option of selling their property to LXRA.

The scheme will generally be available to owners of residential properties that share a boundary with the rail corridor, and that are most impacted by the elevated structure in the tightest area of the corridor.

It is worth highlighting that no compulsory land acquisition is required to deliver the Caulfield to Dandenong project. Any decision for owners to sell their homes to the Government would be entirely voluntary.

Who is eligible?

There are several principles that will be applied to guide assessments on whether properties are eligible to be included in the scheme.

These include:

- sharing a property boundary with the rail corridor
- the property being used for residential purposes; and
- whether the property is subject to significant overshadowing from the new structure

The height and visibility of the structure relative to properties will also be a key consideration in the assessment

The scheme will not apply to vacant land, land which has a planning permit for development for residential purposes but the residential development has not substantially commenced at the time of introduction of the voluntary purchase scheme (being 29 March 2016) or to non-residential properties.

We've already started contacting owners of residential properties that may meet these principles to inform them of the scheme and discuss their interest in participating.



Eligible owners have until 30 June 2017 to confirm they wish to participate and submit their offer in line with the process described below.

If you want to learn more or determine if you are eligible for this scheme, please contact us on 1800 762 667.

We will explain how to make a submission to the government for an assessment and decision regarding eligibility for inclusion in the scheme.



About the voluntary purchase process

The process for voluntary purchase of residential properties is outlined below. We will work through the following process with residential property owners who are eligible to participate in the scheme.

WHAT HAPPENS NEXT

1. The Level Crossing Removal Authority notifies residential property owners that may be eligible for voluntary purchase.
2. The Level Crossing Removal Authority will meet with interested property owners to explain process, timeframes and provide relevant documents and confirm their eligibility.
3. Eligible owners confirm in writing that they want to participate in the voluntary purchase scheme, and submit an asking price for the property supported by a valid (no more than three months old) Certificate of Valuation from a qualified valuer for the market value of the property. Please note, the Government will pay the reasonable costs of you obtaining a valuation, capped at \$5,000.
4. Negotiations take place between the Level Crossing Removal Authority and the owner, including:
 - The Level Crossing Removal Authority obtaining a current market valuation from the Valuer-General Victoria for the property, which disregards the effect that the project may have on the value of the property.
 - In the event that the owner's valuation is supported by the Valuer-General Victoria's valuation advice, the Level Crossing Removal Authority will make an offer to the owner to purchase the property at the asking price.
 - In the event that the owner's valuation is not supported by the Valuer-General Victoria's valuation, the Level Crossing Removal Authority will make an offer to the owner based on the Valuer-General Victoria's valuation – if this offer is not accepted, a conference between valuers may be conducted by the Valuer-General Victoria to seek to reach agreement on the valuation.
5. Once an offer is made by LXRA, owners will have four (4) months from the date of the offer to conclude purchase negotiations, including any conference of valuers if conducted. If agreement is not reached and a contract of sale is not entered into within this time, LXRA would withdraw from negotiations and the owner's ability to participate in the voluntary purchase scheme would lapse.

QUESTIONS ABOUT THE VOLUNTARY PURCHASE PROCESS

Do we have to sell our property?

No. This is a voluntary purchase scheme and is not compulsory.

Owners may choose to select alternative options like extensive landscaping and fencing.

How can we be sure we're getting a fair deal?

Valuations are undertaken by accredited and independent valuers. The Level Crossing Removal Authority valuations are undertaken, reviewed and approved by the Valuer-General Victoria and signed off by the Government Land Monitor if required.

Participating owners must appoint their own independent and accredited valuer, with reasonable costs paid by the Level Crossing Removal Authority. The costs are capped at \$10,000 for legal advice and \$5,000 for valuation, plus GST if owners are not registered for GST. If there are differences between the valuations, a valuers' conference will be held to negotiate and agree on an agreed value.

Where an owner sells its property to the Level Crossing Removal Authority, they also will be able to claim the stamp duty and registration fees if they purchase a replacement property within 12 months of settlement of the sale. The stamp duty and registration fees will be capped at the value of the property sold to LXRA.

What is the valuation based on? Won't property values change because of the project?

The government's offer will be based on the current unaffected (by the project) market value of your property.

Who is the Government Land Monitor?

The Government Land Monitor is a function of the Department of Environment, Land, Water and Planning. Its primary role is to ensure land acquisition transactions are legal, in the public interest and provide a fair outcome to the government.

More information is available at dtpli.vic.gov.au.

What happens if we cannot agree on a valuation?

If agreement cannot be reached following the process outlined, the Level Crossing Removal Authority's offer will lapse, together with the ability to participate in the voluntary purchase scheme.

How much will it cost me to participate?

The government will contribute reasonable costs to owners that participate in the voluntary purchase scheme.

Reimbursements will include:

- reasonable legal fees for a solicitor to represent you during negotiations with the Level Crossing Removal Authority (up to a maximum of \$10,000);
- reasonable valuation fees (up to a maximum of \$5,000) for a qualified valuer to provide you with a property valuation report and attend a conference of valuers (if a conference is required);
- reasonable property replacement costs like removalist costs (for landowners who currently occupy their property), stamp duty calculated up to the agreed value of your property sold to the Level Crossing Removal Authority, the Titles Office registration fee and conveyancing costs incurred in respect of purchasing a replacement property; and
- the GST component of the legal and valuation fees mentioned above if you are not registered for GST.

Do I have to leave my property after it is purchased?

Yes. Once settlement is reached with the government, you must provide vacant possession of your property at an agreed date. For owners that occupy their properties, the government can make available a rent free period for 180 days from the signing of the contract. In limited circumstances, owners may remain in their property for an additional 180 days at an agreed market rental rate.

Have you already conducted property valuations for my local area?

We have not conducted any property valuations as part of the project. This would only begin once eligible property owners confirm their interest in participating in the scheme.

Once the process begins, how long does it take?

Negotiations would generally be completed over four to six months, subject to the timely engagement of valuers and lawyers, and the timely preparation of a contract of sale by the owners' lawyer once agreement on price is reached.

I am a residential tenant – what are my rights?

If your landlord sells their property to the Level Crossing Removal Authority, then your lease will transfer as well. You will be able to continue as a tenant and the Level Crossing Removal Authority will arrange for its leasing agent to contact you after settlement.

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